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# Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

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JUL 17 1998

				FEDERAL COMMUNICATIONS COMMISSION
ICO SERVICES LIMITED	) ) F	RM No.	9328	OFFICE OF THE SECRETARY
Petition for Expedited Rule Making To Establish Eligibility Requirements for the 2 GHz Mobile Satellite Service	) ) )			

PETITION FOR EXPEDITED RULE MAKING TO ESTABLISH ELIGIBILITY REQUIREMENTS FOR THE 2 GHZ MOBILE SATELLITE SERVICE

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July 17, 1998

To the Commission:

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In the Matter of:	)	PEREMAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY
ICO SERVICES LIMITED	) RM No	-
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2 GHz Mobile Satellite Service	Ć	
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To the Commission:

# PETITION FOR EXPEDITED RULE MAKING TO ESTABLISH ELIGIBILITY REQUIREMENTS FOR THE 2 GHZ MOBILE SATELLITE SERVICE

ICO Services Limited ("ICO Services"), pursuant to Section 1.401 of the Commission's rules, 47 C.F.R. § 1.401, hereby petitions the Federal Communications Commission ("FCC" or "Commission") to initiate, on an expedited basis, a rule making to establish eligibility requirements for pending applicants seeking to provide mobile satellite service ("MSS") in the U.S. market in the 2 GHz frequency bands. ICO takes this step because, although the ITU World Administrative Radio Conference ("WARC") allocated spectrum to MSS in 1992, the Commission, in mid 1998, does not appear to be close to authorizing qualified 2 GHz MSS systems to compete with previously licensed MSS systems offering similar service in the U.S. market. As discussed more fully below, further regulatory delays inherent in the process of

<sup>&</sup>lt;sup>1</sup> ICO Services, a company established under the laws of England and Wales, is a wholly owned subsidiary of ICO Global Communications (Holdings) Limited, which is the ultimate parent of a wholly owned group of companies (referred to herein collectively as "ICO") that is developing a satellite system for the provision of global MSS.

<sup>&</sup>lt;sup>2</sup> Although ICO's plans previously had been announced, ICO first officially notified the Commission of its intent to provide global MSS in the United States in October 1996. Letter from Cheryl A. Tritt, Morrison & Foerster LLP, to William F. Caton, Acting Secretary, Federal

adopting complete service rules for 2 GHz MSS operations could significantly delay -unnecessarily -- the ability of ICO, and possibly other potentially qualified MSS operators, to
introduce near term additional MSS competition in the U.S. market.

Because any delay in the provision of additional competition disserves the public interest, the Commission expeditiously should.

- establish eligibility requirements, including a policy for expedited treatment of new entrants;
- conditionally license those new entrants that satisfy the initial eligibility requirements to provide MSS in the U.S. market across the relevant parts of the 2 GHz band;
- adopt further technical and band sharing rules in a subsequent phase of the rule making proceeding; and
- in that subsequent phase of the proceeding, authorize any additional eligible 2 GHz
   MSS applicants.<sup>3</sup>

Communications Commission (Oct. 18, 1996). In response to the FCC's July 22, 1997 and subsequent public notices announcing a cut-off date for filing 2 GHz license applications and letters of intent, ICO timely filed a letter of intent on September 26, 1997. Letter from Cheryl A. Tritt, Morrison & Foerster LLP, to William F. Caton, Acting Secretary, Federal Communications Commission (Sept. 26, 1997). On March 19, 1998, the FCC accepted nine applications and letters of intent for filing and placed them on public notice for comment. See FCC Public Notice, Satellite Applications and Letters of Intent Accepted for Filing in the 2 GHz Band, Rpt. No. SPB-119, Mar. 19, 1998. The comment cycle established by the FCC pursuant to the public notice was completed on June 18, 1998.

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<sup>&</sup>lt;sup>3</sup> In this petition, (but not in Attachment A) ICO will use the word "application" and "applicant" to refer both to U.S.-licensed systems' requests for assignment of spectrum and to letters of intent for non-U.S. licensed systems seeking access to 2 GHz spectrum in the United States, unless the context indicates otherwise.

#### I. BACKGROUND

ICO plans to commence offering service through its service partner and service providers in the United States in the year 2000. Since its formation in 1995,<sup>4</sup> ICO diligently has taken steps to ensure that service commences on schedule. ICO has complied to date with the stringent due diligence requirements of the United Kingdom, which is the country that authorizes the launch and operation of ICO's satellite network. ICO's spacecraft are under construction, and the first launch is scheduled for the last quarter of 1998.

In further preparation for commencing service in the year 2000, ICO expects to complete an initial public offering ("IPO") in the United States in the third quarter of 1998. The IPO would diversify ICO's ownership and provide ICO with additional capital with which to fund its global MSS operations.

ICO is one of the first non-U.S. based MSS systems seeking access to the U.S. market at 2 GHz. It is also one of the few systems that has not already been licensed to provide MSS in the United States in other spectrum bands. When it is authorized to serve the United States, ICO will bring a new competitor into the U.S. and global markets for MSS and will create employment and investment opportunities in the United States. FCC spectrum allocation and licensing processes for MSS in the 2 GHz band must progress at a more accelerated pace, however, if ICO's plans to bring additional competition to the U.S. market are to be realized. As noted above, it has been more than six years since the 1992 WARC allocated spectrum at 2 GHz to MSS, yet not a single MSS system is even close to being authorized to provide service in the United States in those bands. This regulatory uncertainty could significantly delay the provision of competitive MSS in the United States by ICO -- and possibly others. ICO therefore urges the

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<sup>&</sup>lt;sup>4</sup> The United States concurred in the Inmarsat Assembly of Parties vote in late 1994 that approved the spin-off from Inmarsat of an independent commercial entity that would offer global MSS.

Commission to act expeditiously to develop the necessary regulatory procedures and rules for authorizing new entrants to the MSS market, such as ICO, to serve the United States.

Specifically, the Commission should initiate immediately a bifurcated service rule proceeding, with shortened comment periods, that will lead to the prompt conditional licensing of qualified new MSS entrants.

# II. THE COMMISSION EXPEDITIOUSLY SHOULD ADOPT SERVICE RULES ON A BIFURCATED BASIS IN ORDER TO INCREASE COMPETITION IN THE MSS MARKET

A review of the applications and letters of intent of those entities seeking authority to provide MSS to the U.S. market at 2 GHz discloses that (1) the applicants have widely divergent reasons for seeking access to 2 GHz spectrum, and (2) the proposed MSS systems are at widely disparate stages of development. Some applicants, such as ICO, plan to access 2 GHz spectrum to build new global MSS systems. Others, by contrast, seek to utilize 2 GHz spectrum to modify or expand MSS systems already licensed to operate -- but not yet operating -- in the 1.6/2.4 GHz spectrum bands.

A few applicants, like ICO, have taken concrete steps to offer MSS at 2 GHz in the near future. As noted above, ICO is constructing its spacecraft and has scheduled its first launch for later this year. Other applicants, by contrast, have proposed systems that are only conceptual in nature.

Competition will not best be served by granting additional spectrum at this time to entities that have not yet begun to utilize any previously granted spectrum and that will only warehouse any additional spectrum granted near term in the 2 GHz frequencies. Nor will competition best be served by granting spectrum at this time to entities that cannot meet certain minimal eligibility requirements. Rather, competition will best be served by the Commission expeditiously adopting eligibility requirements and authorizing conditionally at this time only those new entrants -- i.e., entities that are not already assigned spectrum to provide MSS in the

United States -- that meet such eligibility requirements. This will ensure that 2 GHz applicants with less well-developed systems do not delay the provision of service by applicants with more well-developed systems.

## A. The Commission Expeditiously Should Adopt Rules Limiting Consideration At This Time To Initial Licensing Of New Entrants

As noted above, four of the 2 GHz MSS applicants already are licensed by the Commission to provide MSS in the United States utilizing the 1.6/2.4 GHz spectrum bands. Not one of these "Big LEO" entities, however, is providing MSS under its existing license.

Nonetheless, these four 1.6/2.4 GHz licensees now -- prematurely -- seek additional spectrum at 2 GHz in order to supplement or modify their MSS systems. Because already licensed applicants are not new entrants and therefore do not increase competition in the market for MSS, the Commission should defer consideration of their 2 GHz applications to a later date.

The Commission previously has recognized that limiting a processing round to qualified new entrants can serve the public interest. Specifically, in the second Little LEO processing round the Commission proposed to exclude licensees from the first processing round from participating in the second processing round in order to open the Little LEO service market to new entrants.<sup>5</sup> The Commission stated that "competition — may be limited if an existing licensee obtains additional spectrum thereby excluding a new licensee from entering the — market."

In its DISCO II order, the Commission reaffirmed its belief that the presence of additional competitors serves the public interest by increasing competition. Specifically, the

<sup>&</sup>lt;sup>5</sup> Amendment of Part 25 of the Commission's Rules to Establish Rules and Policies Pertaining to the Second Processing Round of the Non-Voice, Non-Geostationary Mobile Satellite Service, 11 FCC Rcd 19841, modified, 11 FCC Rcd 19891 (1996).

<sup>&</sup>lt;sup>6</sup> *Id.* at 19846.

The Commission should further its pro-competitive policies by expeditiously adopting an eligibility rule limiting consideration for initial licensing at 2 GHz to otherwise qualified applicants that are not currently authorized to provide MSS in the United States. Those applicants that already are licensed to provide MSS in the United States should be deferred to a later date. By giving priority to new entrants in this manner, the Commission will ensure increased competition in the MSS market and will avoid granting additional spectrum to entities that have yet to demonstrate any near term need for such spectrum.

## B. The Commission Expeditiously Should Adopt Legal, Technical and Financial Eligibility Requirements

The Communications Act of 1934, as amended, directs the Commission to utilize various measures, including threshold qualifications, in order to avoid mutual exclusivity among license applicants. Particularly in light of the conceptual nature of many of the 2 GHz applicants' systems, the Commission should fulfill its statutory mandate by adopting eligibility requirements that applicants be legally, financially and technically qualified to provide MSS at 2 GHz. In addition to helping avoid mutual exclusivity, such requirements also would ensure that applicants do not warehouse spectrum -- an outcome that accords with the most fundamental objective of the Commission's financial qualifications standards. These legal, financial and

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<sup>&</sup>lt;sup>7</sup> Amendment of the Commission's Regulatory Policies to Allow Non-U.S. Licensed Space Stations to Provide Domestic and International Satellite Service in the United States, 12 FCC Rcd 24094, 24099 (1997) ("DISCO II").

<sup>&</sup>lt;sup>8</sup> 47 U.S.C. § 309(j)(6)(E) (directing the Commission to "continue to use engineering solutions, negotiation, threshold qualifications, service regulations, and other means in order to avoid mutual exclusivity in application and licensing proceedings").

<sup>&</sup>lt;sup>9</sup> See Norris Satellite Communications, Inc., 7 FCC Rcd 4289, 4291 (1992), aff'd, 9 FCC Rcd 7370 (1993).

long applied in the satellite licensing context.<sup>10</sup> Because Big LEO MSS is similar to 2 GHz MSS, the FCC could look to licensing provisions for the 1.6/2.4 GHz mobile satellite service to serve as a partial template for eligibility requirements for 2 GHz MSS providers.<sup>11</sup>

Specifically, the Commission should adopt for 2 GHz MSS, regulations similar to those set forth for the Big LEO service that (1) allow a single system license;<sup>12</sup> (2) require applicants to provide a full technical description of their systems;<sup>13</sup> (3) require continuous U.S. service;<sup>14</sup> (4) require relevant applicants to demonstrate their financial qualifications;<sup>15</sup> (5) allow automatic licensing of replacement satellites;<sup>16</sup> (6) allow in-orbit spares to be covered by the system license;<sup>17</sup> (7) require licensees annually to report certain information and certify as to completion of milestones;<sup>18</sup> (8) prohibit trafficking in bare licenses;<sup>19</sup> and (9) prohibit the grant of licenses to applicants enjoying special concessions.<sup>20</sup> Similar to the Big LEO service rules, the Commission should require 2 GHz MSS systems to employ only non-geostationary ("NGSO") constellations

<sup>&</sup>lt;sup>10</sup> See, e.g., 47 C.F.R. § 25.142 (licensing provisions for non-voice, non-geostationary MSS); 47 C.F.R. § 25.143 (licensing provisions for the 1.6/2.4 GHz MSS).

<sup>11</sup> See 47 C.F. R. § 25.143.

<sup>&</sup>lt;sup>12</sup> See 47 C.F.R. § 25.143(a).

<sup>&</sup>lt;sup>13</sup> See 47 C.F.R. § 25.143(b).

<sup>&</sup>lt;sup>14</sup> See 47 C.F.R. § 25.143(b)(2)(iii).

<sup>&</sup>lt;sup>15</sup> See 47 C.F.R. § 25.143(b)(3).

<sup>&</sup>lt;sup>16</sup> See 47 C.F.R. § 25.143(c).

<sup>&</sup>lt;sup>17</sup> See 47 C.F.R. § 25.143(d).

<sup>&</sup>lt;sup>18</sup> See 47 C.F.R. § 25.143(e)(2).

<sup>&</sup>lt;sup>19</sup> See 47 C.F.R. § 25.143(g).

<sup>&</sup>lt;sup>20</sup> See 47 C.F.R. § 25.143(h).

at least in that portion of the 2 GHz spectrum band allocated on a global basis to MSS. Also similar to the Big LEO service rules, the Commission should require global coverage for the provision of MSS with respect to at least that portion of the 2 GHz spectrum allocated on a global basis to MSS.<sup>21</sup>

By adopting expeditiously these minimal eligibility requirements, the Commission would ensure that those 2 GHz MSS applicants receiving conditional licenses<sup>22</sup> in the initial licensing phase possess the relevant financial ability to construct, launch and operate their proposed systems for one year, as well as the legal ability to provide service over technically well-defined and operationally feasible systems. Applicants that do not meet these eligibility requirements would be considered at a later date.

## C. The Commission Should Adopt Additional Service Rules At A Later Date

In the interest of licensing quickly those applicants that are new entrants and that possess the relevant financial, legal and technical qualifications to provide MSS in the U.S. market at 2 GHz, the Commission should adopt, on an expedited basis, rules limiting consideration in the initial licensing phase to new entrants, as well as the financial, legal and technical eligibility requirements discussed above. All other service rules, including adoption of a spectrum band plan, also need be addressed quickly, but could be deferred to a later phase of this proceeding. Deferring adoption of additional service rules in this manner would serve the public interest by allowing the expeditious licensing or authorization of those new entrant 2 GHz MSS applicants whose systems are well developed and ready to initiate service near term. This, in turn, will

As with other generic rules, ICO would be subject to the Commission's requirements regarding non-U.S. licensed systems seeking to serve the United States. See 47 C.F.R. § 25.137.

<sup>&</sup>lt;sup>22</sup> See infra Section III.

provide those new entrant applicants with the regulatory certainty that is vital to their efforts to construct, launch and operate competing global MSS systems in the U.S. market.

# III. NEW ENTRANTS THAT SATISFY THE DUE DILIGENCE REQUIREMENTS SHOULD BE CONDITIONALLY LICENSED TO ACCESS THE RELEVANT PARTS OF THE 2 GHZ SPECTRUM

Any new NGSO entrant that satisfies the eligibility requirements adopted by the Commission in the initial licensing phase should be licensed conditionally to access at least the entire common global 2 GHz MSS spectrum, subject to adoption by the Commission of a final band plan or intersystem coordination approach and other service rules. Allowing global systems licensed in the initial licensing phase to access the entire global 2 GHz spectrum serves the public interest by affording the initial licensees the maximum operational flexibility. This, in turn, should minimize any difficulties with respect to both system coordination and sharing with terrestrial incumbents. Any new geostationary ("GSO") entrant that satisfies the initial eligibility requirements should be licensed conditionally to access a portion of the spectrum allocated to MSS only in Region 2. Initial licensees will be subject to intersystem coordination or the band plan adopted by the Commission when it issues its final service rules for 2 GHz MSS operations.

#### **CONCLUSION**

For the reasons set forth above, ICO requests that the Commission grant this petition and adopt 2 GHz MSS service rules on a bifurcated basis. Attachment A sets forth proposed eligibility rules for 2 GHz MSS providers. The Commission should adopt, on an expedited basis,

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<sup>&</sup>lt;sup>23</sup> Although the International Telecommunication Union World Administrative Radio Conference in 1992 allocated global MSS spectrum in the uplink bands from 1980-2010 MHz, the FCC subsequently allocated 10 MHz from 1980 to 1990 MHz to domestic, terrestrial mobile services. In order to compensate for the loss of 10 MHz to MSS the FCC later proposed the allocation of adjacent spectrum from 2010-2025 MHz to MSS. The 1995 World Radio Conference adopted the 2010-2025 MHz MSS allocation for Region 2 only.

initial eligibility rules for entities seeking to provide MSS at 2 GHz in the United States. Those rules would limit eligibility for licensing in the initial licensing phase to new entrants, and would require those applicants to satisfy certain eligibility requirements. Any new NGSO entrant that satisfies the relevant eligibility requirements should be licensed conditionally to operate in at least the entire common global 2 GHz MSS spectrum, subject to adoption by the Commission of final 2 GHz MSS service rules, including a band plan or intersystem coordination approach. Any new GSO entrant that satisfies the relevant eligibility requirements should be licensed conditionally to operate in a portion of the 2 GHz spectrum allocated only in Region 2. By adopting service rules and licensing applicants on a bifurcated basis, the Commission will serve the public interest by allowing those 2 GHz MSS applicants prepared to commence service to bring additional competition to the U.S. MSS market quickly.

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Respectfully submitted,

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July 17, 1998

#### ATTACHMENT A

A. Part 25 of Chapter 1 of Title 47 of the code of Federal Regulations is amended as follows:

#### Part 25 - SATELLITE COMMUNICATIONS

1. The authority citation for Part 25 continues to read as follows:

Authority: 47 U.S.C. 701-744. Interprets or applies sec. 303, 47 U.S.C. 303. 47 U.S.C. sections 154, 301, 302, 303, 307, 309 and 332, unless otherwise noted.

- 2. Section 25. is added to read as follows:
- § 25. Licensing Provisions for the 2 GHz mobile-satellite service.
  - (a) Definitions:
- (1) Applicant Unless otherwise indicated, an applicant is an entity filing an application for a U.S. license to construct and launch space segment using 2 GHz MSS frequency bands and shall not be considered a filer.
- (2) Filer Unless otherwise indicated, a filer is a non-U.S. authorized MSS system that files a letter of intent seeking access to the 2 GHz MSS band in the United States pursuant to Section 25.137 and shall not be considered an applicant.
- (3) New entrants For purposes of this section, new entrants are those entities, both applicants and filers, seeking access to 2 GHz MSS frequencies that are not already authorized in the United States at the time of their filing to access other spectrum allocated to MSS.
- (4) 2 GHz MSS frequencies 2 GHz MSS frequencies are those frequencies allocated by the Commission in Amendment of Section 2.106 of the Commission's Rules to Allocate Spectrum at 2 GHz for Use by the Mobile-Satellite Service, 12 FCC Rcd 7388 (1997).
- (5) Licensee Unless otherwise indicated, licensee is an applicant or filer that received authorization from the Commission to construct and launch and/or operate space segment in the 2 GHz MSS frequency band.
- (b) System License: Applicants and filers authorized to construct and launch and/or operate a system of technically identical satellites will be awarded a single "blanket" license. In the case of non-geostationary satellites, the blanket license will cover a specified number of space stations to operate in a specified number of orbital planes.

(c) Non-U.S. Licensed Space Stations: Filers shall comply with the provisions of § 25.137.

### (d) Qualification Requirements.

- (1) General Requirements: Each application and letter of intent for a space station system authorization in the 2 GHz mobile-satellite service shall describe in detail the proposed satellite system, setting forth all pertinent technical and operational aspects of the system, and the technical, legal, and financial qualifications of the applicant or filer. In particular, each application and letter of intent shall include the information specified in § 25.114.
- (2) Technical Qualifications: In addition to providing the information specified in paragraph (c)(1) of this section, each applicant and filer shall demonstrate that:
- (i) The proposed system employs a non-geostationary constellation or constellations of satellites within the 1990-2020 (uplink) and 2170-2200 (downlink) MHz bands; or
- (ii) The proposed system employs a geostationary constellation or constellations of satellites in the 2015-2025 (uplink) and 2165-2175 (downlink) MHz bands.
- (iii) With respect to spectrum that has been allocated for use by non-geostationary systems, the proposed system be capable of providing mobile satellite services to all locations as far north as 70° latitude and as far south as 55° latitude for at least 75% of every 24-hour period, *i.e.*, that at least one satellite will be visible above the horizon at an elevation angle of at least 5° for at least 18 hours each day within the described geographic area;
- (iv) The proposed system is capable of providing mobile satellite services on a continuous basis throughout the fifty states, Puerto Rico and the U.S. Virgin Islands, *i.e.*, that at least one satellite will be visible above the horizon at an elevation angle of at least 5° at all times within the described geographic areas; and
- (v) That operations will not cause harmful interference to other authorized co-primary users of the spectrum, taking into account transitional arrangements for terrestrial radio systems that may be agreed upon by the concerned parties.

### (3) Financial Qualifications:

(i) Each applicant must demonstrate, on the basis of the documentation contained in its application, that it is financially qualified to meet the estimated costs of the construction and launch of all proposed space stations in the system

and the estimated operating expenses for one year after the launch of the initial space station. Financial qualifications must be demonstrated in the form specified in §25.140(c) and (d). In addition, applicants relying on current assets or operating income must submit evidence of a management commitment to the proposed satellite system.

- (ii) Filers will be subject to the financial qualification requirements of their authorizing country. 1
- (iii) If eligible new entrant applications are not mutually exclusive, the Commission will defer the financial qualification requirement with the proviso that full disclosure of financial information must be submitted to the Commission within one year of the issuance of the conditional license.
- (d) Replacement of Space Stations Within the System License Term. Licensees of 2 GHz mobile-satellite systems authorized through a blanket license pursuant to paragraph (b) of this section need not file separate applications or letters of intent to construct, launch and/or operate technically identical replacement satellites within the term of the system authorization. However, the licensee shall certify to the Commission, at least thirty days prior to launch of such replacement(s) that:
- (1) The licensee intends to launch a space station that is technically identical to those authorized in its system authorization, and
- (2) Launch of this space station will not cause the licensee to exceed the total number of operating space stations authorized by the Commission.
- (e) In-Orbit Spares. Licensees need not file separate applications or letters of intent to operate technically identical in-orbit spares authorized as part of the blanket license pursuant to paragraph (b) of this section. However, the licensee shall certify to the Commission, within 10 days of bringing the in-orbit spare into operation, that operation of this space station did not cause the licensee to exceed the total number of operating space stations authorized by the Commission.

#### (f) Reporting Requirements.

(1) All operators of 2 GHz mobile-satellite systems shall, on June 30 of each year, file with the International Bureau and the Commission's Columbia Operations Center, Columbia, Maryland, a report containing the following information current as of May 31st of that year:

<sup>&</sup>lt;sup>1</sup> ICO has asked the Commission to reconsider the Commission's November 26, 1997 decision in Amendment of the Commission's Regulatory Policies to Allow Non-U.S. Licensed Space Stations to Provide Domestic and International Satellite Service in the United States, 12 FCC Rcd 24094 (1997), to impose redundant licensing requirements, including redundant financial requirements, on non-U.S. licensed MSS systems. To the extent that the Commission grants ICO's pending petition for reconsideration with respect to this issue, ICO asks that that decision be reflected in the 2 GHz service rules adopted by the Commission.

- (i) Status of satellite construction and anticipated launch dates, including any major problems or delays encountered;
- (ii) A listing of any non-scheduled space station outages for more than 30 minutes and the cause or causes of the outage;
- (iii) A detailed description of the utilization made of the in-orbit satellite system. That description should identify the percentage of time that the system is actually used for U.S. domestic or transborder transmission, the amount of capacity (if any) sold but not in service within U.S. territorial geographic areas, and the amount of unused system capacity; and
- (iv) Identification of any space stations not available for service or otherwise not performing to specifications, the cause or causes of these difficulties, and the date any space station was taken out of service or the malfunction identified.
- (2) All operators of 2 GHz mobile-satellite systems shall, within 10 days after a required implementation milestone as specified in the system authorization, certify to the Commission by affidavit that the milestone has been met or notify the Commission by letter that it has not been met. At its discretion, the Commission may require the submission of additional information (supported by affidavit of a person or persons with knowledge thereof) to demonstrate that the milestone has been met.
  - (g) Considerations Involving Transfer or Assignment Applications.
- (1) "Trafficking" in bare licenses issued pursuant to paragraph (a) of this section is prohibited, except with respect to licenses obtained through a competitive bidding procedure.
- (2) The Commission will review a proposed transaction to determine if the circumstances indicate trafficking in licenses whenever applications (except those involving *pro forma* assignment or transfer of control) for consent to assignment of a license, or for transfer of control of a licensee, involve facilities licensed pursuant to paragraph (b) of this section. At its discretion, the Commission may require the submission of an affirmative, factual showing (supported by affidavits of a person or persons with personal knowledge thereof) to demonstrate that no trafficking has occurred.
- (3) If a proposed transfer of radio facilities is incidental to a sale of other facilities or merger of interests, any showing requested under paragraph (f)(2) of this section shall include an additional exhibit which:
- (i) Discloses complete details as to the sale of facilities or merger of interests;

- (ii) Segregates clearly by an itemized accounting, the amount of consideration involved in the sale of facilities or merger of interest; and
- (iii) Demonstrates that the amount of consideration assignable to the facilities or business interests involved represents their fair market value at the time of the transaction.
- (h) Prohibition of Certain Agreements. No license shall be granted to any applicant or filer for a space station in the mobile satellite service operating in the 2 GHz MSS frequency band if that applicant or filer, or any persons or companies controlling or controlled by the applicant or filer, shall acquire or enjoy any right, for the purpose of handling traffic to or from the United States, its territories or possessions, to construct or operate space segment or earth stations, or to interchange traffic, which is denied to any other United States company by reason of any concession, contract, understanding, or working arrangement to which the applicant or filer or any persons or companies controlling or controlled by the applicant and filer are parties.

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### **Certificate of Service**

I, Kathryn M. Stasko, do hereby certify that the foregoing **PETITION FOR EXPEDITED RULE MAKING TO ESTABLISH ELIGIBILITY REQUIREMENTS FOR THE 2 GHZ MOBILE SATELLITE SERVICE** were delivered, via hand delivery, on this 17<sup>th</sup> day of July, 1998, to the following:

Magalie Roman Salas Secretary Federal Communications Commission 1919 M Street, N.W., Room 222 Washington, D.C. 20554	Chairman William E. Kennard Federal Communications Commission 1919 M Street, N.W., Room 814 Washington, D.C. 20554
Commissioner Harold Furchtgott-Roth Federal Communications Commission 1919 M Street, N.W., Room 802 Washington, D.C. 20554	Commissioner Michael Powell Federal Communications Commission 1919 M Street, N.W., Room 844 Washington, D.C. 20554
Commissioner Susan Ness Federal Communications Commission 1919 M Street, N.W., Room 832 Washington, D.C. 20554	Commissioner Gloria Tristani Federal Communications Commission 1919 M Street, N.W., Room 826 Washington, D.C. 20554
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